

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. EAC-2011-0007 TF-2011-0129
---	---

**ORDER APPROVING TARIFF**

(Issued May 23, 2012)

On January 10, 2011, the Utilities Board (Board) issued its Final Decision and Order in Docket No. RPU-2010-0001, approving Interstate Power and Light Company's (IPL) request to implement a regional transmission cost recovery rider (Rider). The Rider was approved on a pilot basis. The Rider was designed to recover transmission costs billed by the Midwest Independent Transmission System Operator, Inc. (MISO), and other transmission-related costs. The Rider has cost recovery factors applicable by customer class and became effective with customer billings on February 25, 2011. IPL files monthly reports detailing transmission costs and revenues that are passed through the Rider.

On November 18, 2011, IPL filed with the Board its first-year compliance filing and reconciliation tariff (Reconciliation Filing) for its Rider. The filing was in compliance with Board orders issued January 10, 2011, and February 25, 2011, in Docket Nos. RPU-2010-0001 and TF-2011-0010. The Rider is an automatic rate adjustment mechanism that is based upon the estimated transmission expenses assigned to each particular customer class and the estimated kW or kWh impact

effective January 1 of the upcoming year. The Reconciliation Filing is a true-up mechanism that includes a proposed 2012 Rider tariff (TF-2011-0129) as well as 1) the calculation of the Rider factors; 2) the reconciliation of the prior year (2011) transmission expenses and corresponding Rider revenues; 3) the estimated 2012 transmission expenses; and 4) the billing determinants used to calculate the rates for each customer class.

The Central Iowa Power Cooperative (CIPCO) investment true-up, which is an annual amount of \$205,728, was included in the Reconciliation Filing. IPL did not include any CIPCO true-up charges in its final compliance rates in Docket No. RPU-2010-0001, which it filed on February 25, 2011. IPL later discovered it omitted these costs and, therefore, requested that they be included in the Rider.

Because CIPCO charges were a contested issue in Docket No. RPU-2010-0001, the Board docketed IPL's Reconciliation Filing on December 9, 2011, and set a comment period. Comments were filed by the Large Energy Group, the Consumer Advocate Division of the Department of Justice, and IPL.

On April 10, 2012, the Board issued an order regarding the CIPCO true-up costs. The Board authorized IPL to collect \$205,729 of CIPCO true-up costs on an annual basis through the Rider beginning with 2012. The Board also allowed IPL to collect CIPCO true-up charges for five months of 2011, or \$85,270; this is less than the eight months of recovery, or \$137,152, which IPL had asked to recover for 2011. The Board determined that IPL should bear some responsibility for not discovering

the error sooner and ordered IPL to file new cost recovery factors in compliance with the Board's April 10, 2012, order.

On April 20, 2012, IPL filed new cost recovery factors for 2012. The new cost recovery factors reflect recovery of CIPCO true-up charges of \$85,720 for five months of 2011, as well as recovery of true-up charges of \$205,729 for 2012. The changes are in compliance with the Board's April 10, 2012, order and will be approved.

**IT IS THEREFORE ORDERED:**

Interstate Power and Light Company's revised cost recovery factors for its regional transmission cost recovery rider filed on April 20, 2012, in Docket Nos. EAC-2011-0007 and TF-2011-0129, are approved, subject to complaint or investigation, effective June 1, 2012.

**UTILITIES BOARD**

/s/ Elizabeth S. Jacobs

/s/ Darrell Hanson

ATTEST:

/s/ Joan Conrad  
Executive Secretary

/s/ Swati A. Dandekar

Dated at Des Moines, Iowa, this 23<sup>rd</sup> day of May 2012.